



Food and Agriculture  
Organization of the  
United Nations

BUILDING RESPONSIBLE  
GLOBAL VALUE CHAINS  
**FOR SUSTAINABLE  
TROPICAL FRUITS**



## TECHNICAL BRIEF

### **Creating an enabling environment for sustainable avocado and pineapple value chains**

#### **Opportunities for producing countries**

The growth of avocado and pineapple production and trade in recent decades has created export revenues and livelihoods in producing countries. However, changing conditions in markets and regulations, as well as sustainability risks, pose challenges to the continued success of these value chains that demand careful consideration. While many actors contribute to shaping the enabling environment for avocado and pineapple production and trade, governments in producing countries hold a key role in creating conditions that enable and foster sustainability and resilience. This brief highlights non-exhaustive, generic measures that governments may consider when seeking to address challenges and promote the long-term sustainability of avocado and pineapple value chains. The examples presented serve as a benchmark for discussion and should be adapted to specific contexts and needs.



## Establish good governance practices as the basis of an enabling environment

As a first step, governments can prioritize good governance principles, including the rule of law, accountability, transparency, consultation and participation. Enforcing laws and international standards and commitments<sup>1</sup> can help address sustainability challenges associated with, for example, environmental issues such as deforestation, water stress, overuse of pesticides, social risks such as unsafe and unhealthy working conditions and tenure rights. By ensuring compliance with laws, governments can help avoid negative impacts and promote sustainable practices. Good governance also includes effective coordination mechanisms for the implementation of the various policies, strategies, laws and regulations, by government institutions and other stakeholders. Overall, good governance helps to create an enabling environment where compliance with sustainability requirements is enforced and where sustainable businesses can thrive.

## Support in meeting export market requirements

Many export markets have strict phytosanitary, food safety and quality standards. It can be challenging for producers and other value chain actors to comply with such requirements. Governments may alleviate this burden by sharing parts of the initial costs of compliance, providing training and information to increase the capacity of producers to comply with new requirements.

As import requirements become more stringent, governments may also increase their support to smallholders and small businesses to meet these evolving expectations. In addition to governments in producing countries, here there is a large scope for governments in importing countries, large companies, trade and labour unions, producer associations and international specialized agencies to work together to ensure that the avocado and pineapple value chains can meet new sustainability requirements.



<sup>1</sup> Relevant international standards and commitments include: the Universal Declaration of Human Rights; the Conventions and Recommendations of the International Labour Organization; the Principles of Responsible Investment in Agriculture and Food Systems of the Committee on World Food Security; the OECD-FAO Guidance for Responsible Agricultural Supply Chains; the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests; and Nationally Determined Contributions, among others.

### Create market access through negotiations with trading partners

In countries that have increased production and export of avocados or pineapples in recent decades, governments have often engaged in bilateral and multilateral diplomacy to expand access to high-value markets. By advocating for the removal of trade barriers and protective measures, some producing countries have been successful in creating new opportunities for growth in these sectors. It is often more difficult for avocado or pineapple producers to access markets in countries that also produce these fruits than to access markets in countries that do not produce them.

### Support to research and development

By investing in research and development (R&D) and collaborating with public and private research institutions, governments can foster innovations that specifically aim to increase sustainability and resilience. This includes research in sustainable production and processing methods, sustainable production systems and adaptation to external shocks such as climate change impacts. These innovations can also increase access to new markets or niche segments, such as organic and low carbon emission products.

Governments may also consider supporting R&D driven by the private sector that primarily aims to increase financial returns or reduce business risks when such R&D can also contribute to sustainability objectives. Technologies that reduce post-harvest losses are an interesting example. Given the perishable nature of tropical fruits, the industry has developed technological and logistical solutions to minimize these losses. It has also promoted processing of suboptimal fruits into, for example, guacamole and avocado oil and the valorization of non-edible parts such as fibers from pineapple plants, which can add value and increase domestic revenues to the industry as whole. Governments may support similar initiatives to reduce post-harvest losses and valorize sub-optimal fruits and agricultural residues, through investment in R&D and infrastructure. Governments may also facilitate enhanced communication and collaboration among different industries.



### Balance international and domestic markets

While export markets provide opportunities, governments should also recognize the potential of domestic markets to contribute to sustainability objectives such as generation of livelihoods, contribution to food security, climate change adaptation and mitigation. Governments may consider supporting actors in domestic value chains including intermediaries such as traders. Public procurement initiatives that source fruits or by-products from companies can help to increase demand domestically. This can benefit smallholders and help achieve broader national development objectives.

### Foster public-private partnerships and industry initiatives

Governments in some of the largest tropical fruit export countries have facilitated the establishment of public-private partnerships (PPP) or supported industry-driven initiatives and producer and exporter associations that focus on specific value chains. These can address shared concerns, such as phytosanitary measures, food safety, production costs, research and development, and capacity development. In some producing countries, PPPs and industry initiatives encourage certification with international sustainability standards and help develop national standards. PPPs and industry initiatives have also helped disseminate traceability technologies that enable industry actors to prove compliance with international requirements.



### Provide tailored support for different categories of value chain stakeholders

To promote inclusivity, governments should consider the needs of different value chain actors. Development and implementation of strategies for promoting sustainable value chains should ideally be conducted in a participatory and consultative manner, ensuring that different perspectives are considered. Governments can also protect underprivileged groups and individuals, including women, smallholders, landless farmers, migrant workers and Indigenous Peoples, by developing policies, laws and effective implementation systems and international standards. Furthermore, governments should ensure that large businesses do not disproportionately benefit from subsidies or other types of public support. For example, there is a risk that PPPs and government supported industry initiatives and associations unintentionally exclude small-scale producers, smaller processors and traders in favour of large-scale vertically integrated businesses, because larger businesses have more resources to invest in upgrades necessary to comply with sustainability requirements. Inclusive PPPs and industry initiatives that consider the interests and needs of underprivileged value chain stakeholders may have a larger chance of contributing to sustainability outcomes. Targeted assistance, including access to loans and other financial instruments, risk management tools, sustainable technologies, and capacity development programmes, can also empower smallholders and small companies and remove entry barriers for them to participate in sustainable global and national value chains.

### Make direct public investment

Public investment in various public goods such as the development of water-efficient irrigation projects, roads, transportation and energy-saving technologies can benefit the tropical fruit sector. Public investments in infrastructure should consider the needs of both domestic and international market channels, as well as the potential risks and benefits for different value chain stakeholders and affected individuals and groups.

## Ensure sustainable agricultural expansion and intensification

As demand for certain crops increases, governments must avoid promoting irresponsible investments and unsustainable expansion or intensification of production. Feasibility studies, involving all stakeholder groups, including affected communities, could be conducted or funded by public entities. In some cases, multistakeholder mapping exercises have successfully helped identify potential risks and suitability challenges of expansion of areas under cultivation of certain crops.

## Promote responsible investment in avocado and pineapple value chains

More and better investments are needed to increase sustainability and resilience of avocado and pineapple value chains. When making public investments and encouraging private investments, governments should ensure that these investments are responsible. To this end, governments can use internationally negotiated and endorsed guidance instruments such as the [CFS Principles for Responsible Investment in Agriculture and Food Systems of the Committee on World Food Security \(CFS-RAI\)](#). By following the recommendations of the CFS-RAI, governments can help ensure that negative impacts of investments are avoided and that investments contribute to sustainable development, improve food security and nutrition, and respect human rights, while ensuring a return for investors. See the FAO paper *Initial ideas for incentives to promote sustainable investment in the avocado and pineapple sectors* for more information on targeted support from governments to investors.

## Conclusions

Governments in producing countries have a critical role to play in fostering an enabling environment for sustainable and resilient avocado and pineapple value chains. Good governance is the basis for creating the required conditions. Other activities that governments can undertake to strengthen the enabling environment include supporting industry stakeholders to comply with sustainability requirements and adopt sustainable practices, investing in research and development and in public goods and services, fostering inclusive public-private partnerships and promoting responsible private investments. Context-specific analysis and cooperation with a broad group of stakeholders are essential for tailoring effective approaches.

## GET IN TOUCH

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